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## Why it pays to keep options for executives

Giving staff a stake in their firm can be a wonderful motivator, says headhunter



Christine Greybe, of DHR International Asia, has come a long way since her first job of selling jewelry in South Africa.

The markets may be in a shambles, but headhunting professional Christine Greybe, the Asia-Pacific managing director of DHR International Asia, says that despite the turmoil, stock options remain an important part of executives' overall pay packages.

Ms Greybe points out that share options motivate employees to boost their company's overall performance by giving them a feeling of ownership.

And she knows what she is talking about - she herself has received shares in privately held DHR, which she considers an important part of her investment portfolio.

A native of South Africa, Ms Greybe started her career as an English teacher and sports coach. Since her shift to recruiting, she has rubbed elbows with global movers and shakers across a variety of industries, and has helped many leading companies identify their most senior executives. Ms Greybe arrived in Hong Kong in 1994 and has lived here ever since.

### **As a headhunting expert, do you think stock options or share awards help companies attract and retain talent?**

Stock options or other share-award programmes are long-term incentives for senior executives. Such schemes are good for newly set-up companies as they encourage senior executives to work hard to achieve goals for the company, such as an initial public offering. For established companies, share options also encourage employees to improve the firm's performance.

From the company's point of view, share options can help attract talent and retain talented staff.

### **Given the current weak stock market, do you see executives opting for cash instead of shares or options as part of their compensation packages?**

Since share-option schemes are usually for staff who stay for the long term, these packages are not affected by short-term market volatility.

**Do you receive shares as part of your own pay package?**

Yes. The company awarded me fairly in a balance of cash and shares linked with performance.

**How much did you earn from your first job? How does that compare with your current income?**

My first job was as a salesperson in a costume-jewellery shop in South Africa. It was a summer-holiday job after secondary school.

It was a great experience to learn sales techniques, but I earned only about HK\$10 per hour. It was not much, but good enough for a secondary-school student. I work much harder nowadays, and I earn enough for me to be able to afford to live in Hong Kong.

**Can you tell us what your first investment here was?**

When I first came to Hong Kong in 1994, I set up my personal retirement scheme, which was a monthly contributed fund product. I did that because Hong Kong did not have a compulsory pension scheme at that time. The Mandatory Provident Fund only started in 2000. In terms of stocks, my first investment in Hong Kong was HSBC in 1994, which was according to advice from my broker. The investment return was 300 per cent in a short period of time. When I cashed out the stock, I could afford to buy my first property. The lesson I learned from that is to listen to your broker's professional advice. I still call my broker from time to time before making stock-investment decisions.

**What is your portfolio composed of? Do you invest only in stocks and funds, or something exotic such as wine?**

It is a combination of real estate, bonds, stocks, funds and DHR shares - and the personal retirement plan. It has done pretty well. I also have some cash in fixed deposits waiting for investment opportunities and emergency use. I do not have any exotic investments like wine as I think the best investment in wine is to share a drink with your friends.

**What was the best investment decision you ever made?**

I bought two properties in a seaside resort in South Africa in January 2003 when the currency collapsed. I did that because of sentimental feelings for my home country, and also because my parents still live there. The properties were cheap, so I just bought them as vacation houses. Then the currency and market bounced back and the properties' value rose more than 30 times in a few years.

That was a great investment. I regret not buying the third property next to the two I bought. Many people have approached us to sell, but I plan to hold them for the long term.

**What was your worst investment decision and how did you get out of it?**

I bought a Hong Kong telecom share during the dotcom bubble and did not sell it when the price was up. The price then fell and kept on going down, and I still hold the shares with the hope that they may bounce back one day.

**What tips do you want to give investors?**

I can think of three tips. First, you should start investing early, as the compound interest impact is significant. Many people start too late.

Second, listen to professional advice. The problem is that many individual investors think they are experts. But obviously most of us are not investment experts, and that is why most of us are still working.

Third, invest in the company you work for. This will drive you to work harder for your company to boost the value of your shareholdings.

**Can you describe your investment style - are you a saver, spender, speculator or long-term investor?**

I am not a big speculator, but I am a risk taker. I invest whenever I feel it is right.

I am a risk taker in my career, too. I did not know much about the owner of DHR, but I decided to join it when the opportunity came. When I first came to Hong Kong, I knew nobody in Asia. I think there is no harm in a bit of risk.

**Do you think you are rich or poor?**

I think I am rich, not in the monetary sense, but because I have good health, a good family and a wonderful husband.

I have a lot of good friends and I like my job. These things make me feel rich.